**FIGURE 2**

DVD Life Cycle (pre-InterActual)

Overview:

- 1) Very similar life cycle to video cassette: video is authored, distributed to retail centers/outlets, purchased by consumer for playback on TVs.
- 2) Linear life cycle: No further contact with consumer.



FIGURE 4

DVD Life Cycle (w/InterActual's Software)

Overview:

- 1) PC market offers a completely new phase to DVD's life cycle: marketing. Motivating PC consumers to purchase and interact with DVDs provides for additional branding and direct marketing opportunities online.
- 2) Performance and usage information collected online can be used to influence content creation process - turning the linear life span into a cyclical one
- 3) Internet can be used to deliver new content.

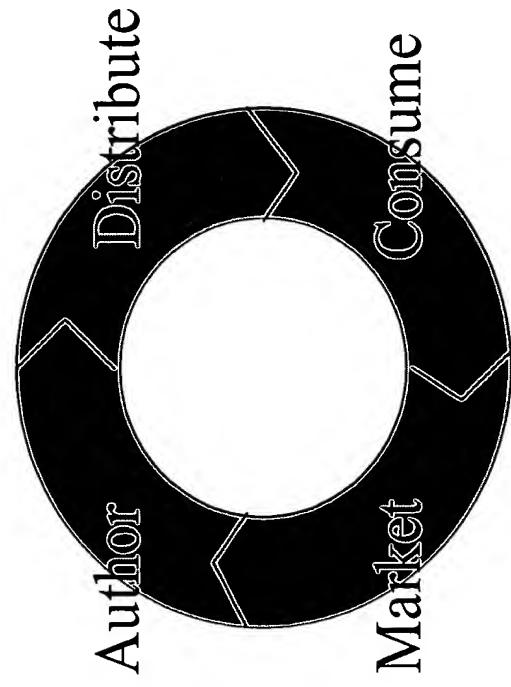
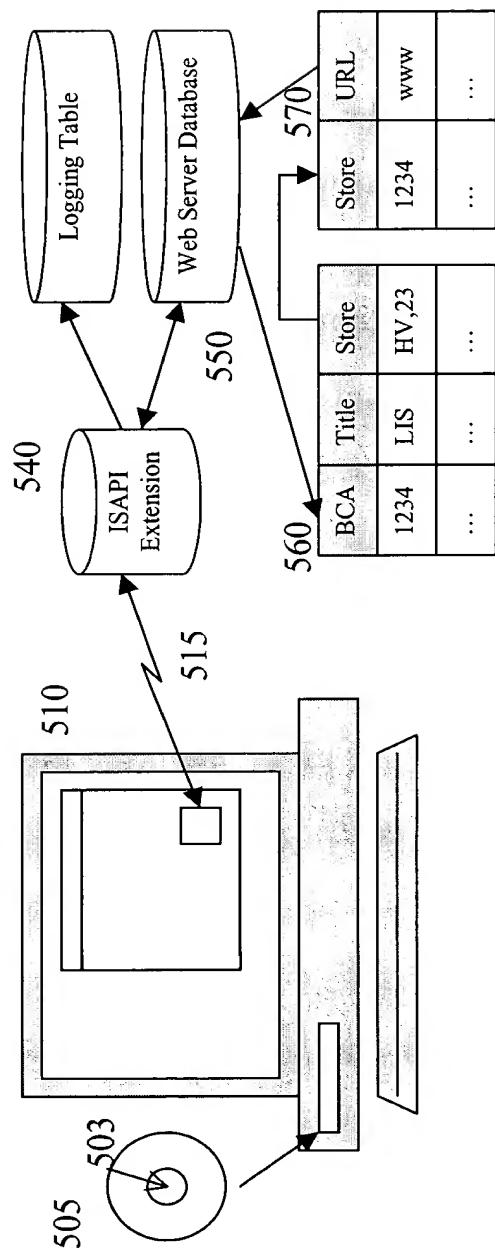


FIGURE 5



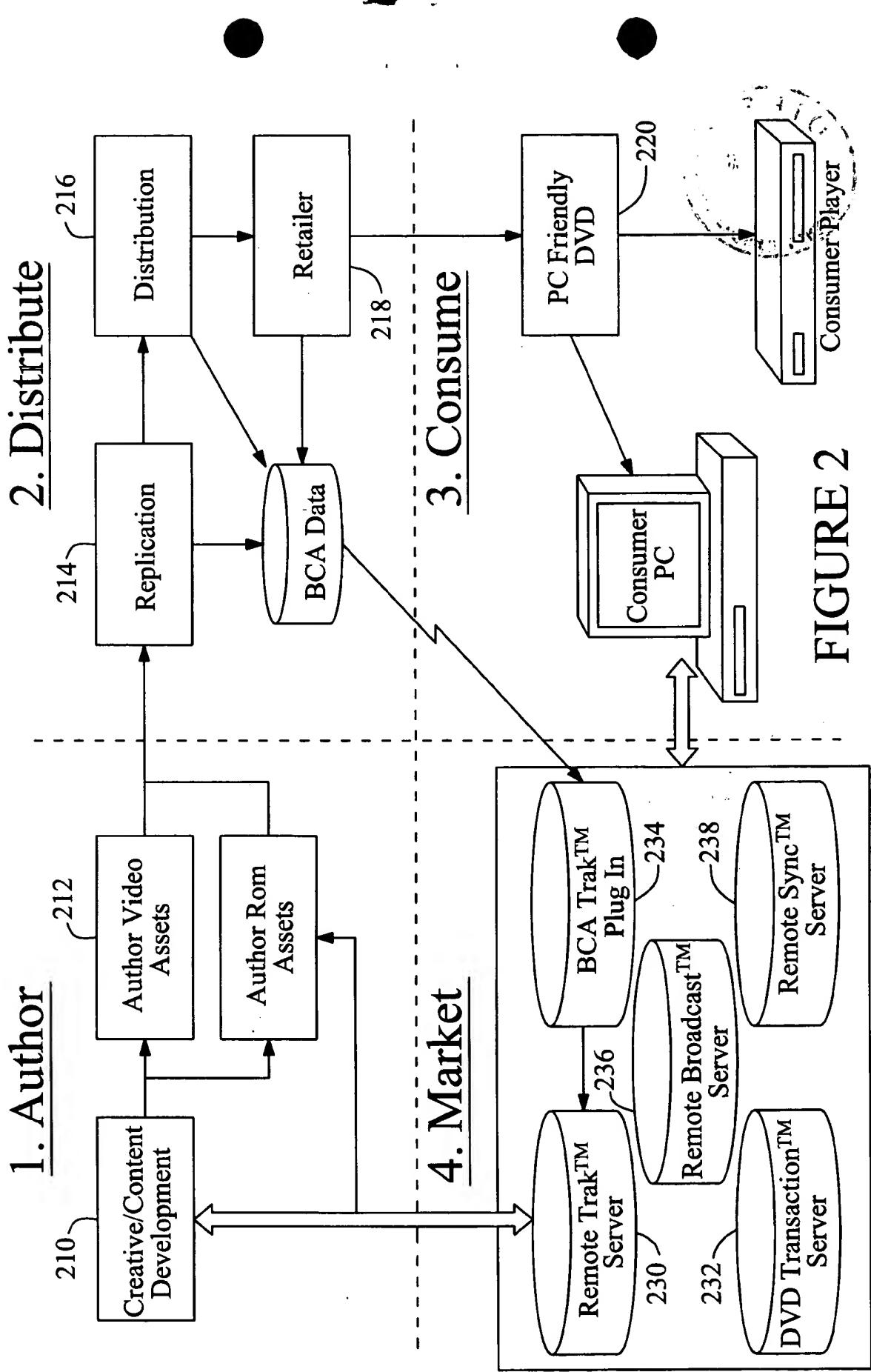


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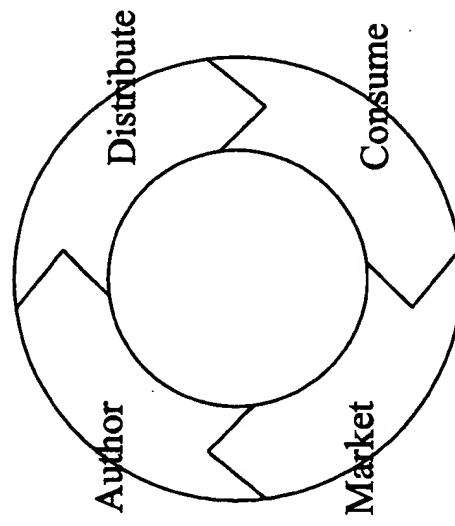
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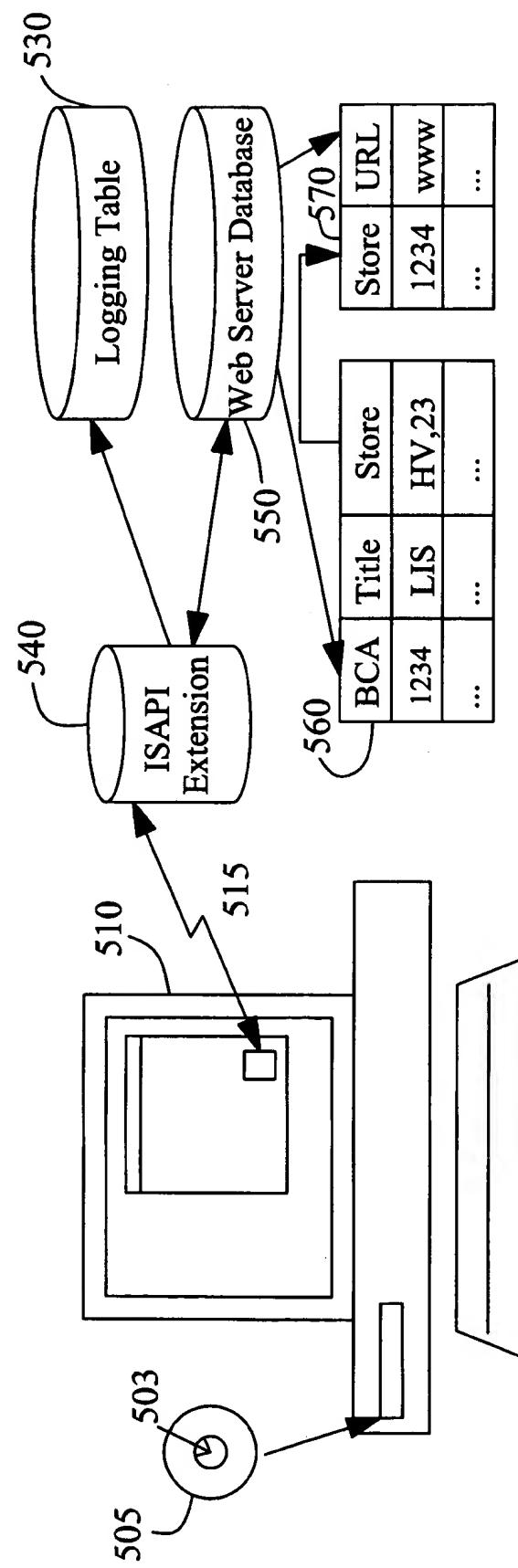


FIGURE 5